

# ALFALAH GHP CASH FUND

ANNUAL REPORT 2016



Alfalah Investments

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## FUND'S INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	<ul style="list-style-type: none"><li>- Ms. Maheen Rahman</li><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Mr. Hanspeter Beier</li><li>- Mr. Amin Dawood Saleh</li><li>- Mr. Abid Naqvi</li><li>- Mr. Tufail Jawed Ahmad</li></ul>
Chief Operating Officer and Company Secretary :	- Mr. Noman Ahmed Soomro
Chief Financial Officer:	- Mr. Muhammad Shehzad Dhedhi
Audit Committee:	<ul style="list-style-type: none"><li>- Mr. Abid Naqvi</li><li>- Syed Ali Sultan</li><li>- Mr. Amin Dawood Saleh</li></ul>
HR Committee:	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Ms. Maheen Rahman</li></ul>
Trustee:	MCB Financial Services Limited 4th Floor, Pardesi House, 2/1 R-Y Old Queens Road, Karachi.
Fund Manager:	- Mr. Kashif Kasim (Jr. Fund Manager)
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No.404,4th Floor Beaumont Plaza,6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Stability Rating AA (f) by PACRA



### **MISSION STATEMENT**

*"To be the best money management company in Pakistan. We will hold our clients' money in sacred trust that has to be actively protected and sustainably nurtured so as to achieve client objectives".*

### **VISION STATEMENT**

*"To be the leading wealth management firm by offering global investment advice, trust services, family estate planning etc for all Pakistani clients whether based in Pakistan or abroad".*

## **REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY**

### **To our valued Unit Holders,**

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of the Alfalah GHP Cash Fund for the year ended June 30, 2016.

### **FY16 Economic Review**

Pakistan's economy grew by 4.70% in FY16, the highest rate in the past eight years. This growth was mainly driven by the industrial and services sectors which was able to compensate for the agricultural sector's subdued performance. Positive developments such as greater energy availability, CPEC projects and other development projects are expected to continue to move the economy forward.

Inflation averaged 2.85% during FY16, as opposed to 4.56% in FY15, thanks to the impact of low fuel costs which have filtered into the underlying economy. Going forward, uptrend in prices of energy based commodities combined with a low base effect are likely to result in slightly higher inflation by the end of this year and start of the next. Our estimates suggest that the inflation for FY17 may hover in the range of 4.50%-4.80% which is closely in line with what SBP projections. With the policy rate at 5.75%, we have likely seen a bottoming out of interest rates with a period of stability expected.

The economy's external position remained steady throughout the second half of this fiscal year, with the result that the exchange rate moved by only -0.02% against the USD. Low exports and slowing growth of remittances undermined the benefit from a dip in international crude oil prices. Going forward, threats to the external position emanate from (i) slowing down of official transfers, especially after conclusion of the IMF program in September, 2016, (ii) possible slowdown in the growth rate of remittances, (iii) rise in oil prices, and (iv) a possible dip in export proceeds.

### **Equity Market:**

The KSE-100 index rose by more than 3,300 points during the year to bring the return for FY16 to 9.8%. The market trended downward through the first seven months of the year before turning around towards the end of February. Slipping of international crude oil prices to 12-year lows in 2016, weakness in global equities, continuous selling pressure by foreign investors, and local broker investigations were some of the chief drivers of negative sentiments during the first seven to eight months of the year. The lower interest environment had its impact on investor's confidence on banking sector where a shrinkage in spread was expected going forward. The market finally turned around in February upon a recovery in crude oil prices. Anticipation of Pakistan's reclassification by MSCI as an Emerging Market (EM) further fueled local equities. Even following the surprising vote by the British public to exit the European Union (Brexit), the effect of the same was short lived and the benchmark KSE-100 index recovered sharply by June 2016.

The rally in the last quarter of the year was mostly attributable to anticipation of Pakistan's reclassification as an emerging market by MSCI. The top drivers of the Index were all stocks that were expected to be included in MSCI's Emerging Market Index (Large, Mid and Small-Cap).

### **Money Market:**

Subdued inflation and the resultant slashing of the policy rate twice during FY16, first by 50bps in September 2015 and then by 25bps in May 2016, helped drop yields by 100-250bps during the year. Highest dip in yields was witnessed for 4 to 10 year instruments, with the resultant spread over Discount rate shrinking considerably which signified that the market expects the interest rates to remain lower for longer.

### **Future Outlook**

The stock market is expected to perform better in FY17 due to (i) Pakistan's equities' reclassification into MSCI's emerging market index, and (ii) announcement of Federal Budget for FY18 that is expected to be friendly towards the business and agricultural sectors as the Government gears up for the final year of its current term.

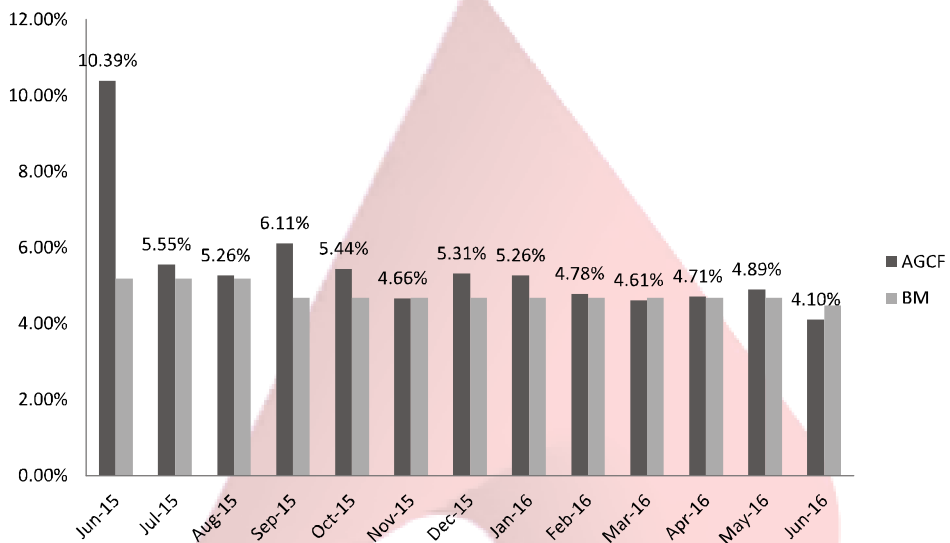
Given an outlook of subdued inflation in the short term and slightly higher CPI growth towards the end of 2016, it may be expected that the monetary policy rate will remain stable for the medium term. Factors that can lead to a sooner than expected rate hike include (i) further strengthening of oil prices due to reduced gap between demand and supply by 2017, (ii) greater than expected rise in prices of other energy related commodities, and (iii) pressure on PKR due to widening of the current account deficit.

**FUND PERFORMANCE AND REVIEW**

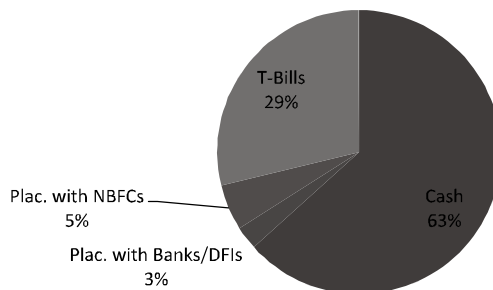
For the year ended June 30, 2016 the fund posted a return of 5.17%. During the same period the benchmark return (avg. 3M deposits rates of 3 "AA" rated banks) was 4.75%. AGCF was focused on maintaining moderate duration in order to gain from easing of monetary cycle. Majority of net assets were invested in treasury bills at attractive rates. Along with T-bill exposure, the fund also allocated investments to high yielding bank deposits including TDRs and LOPs with financial institutions having high credit ratings.

The fund's credit rating stood at "AA(f)" by PACRA.

**AGHP-Cash Fund Vs Benchmark**



**AGCF Asset Allocation**



**Key Financial Data**

(Rupees in Million)

Description	For the year ended June 30 ,2016	For the year ended June 30 ,2015
Average Net Assets	837.501	1,046.533
Gross income	56.910	227.390
Total Comprehensive Income	33.459	84.415
Net Assets Value per Unit (PKR)	495.60	500.96
Issuance of units during the period	1,418.011	9,290.685
Redemption of units during the period	599.715	10,451.917

**Payout**

At the end of the year under review, the fund paid out cash dividend of PKR. 31.3261 per unit

**Corporate Governance**

The Management Company is committed to maintain the highest standards of Corporate Governance. Accordingly, the Board of Directors states that:

- a) Financial Statement represents fairly the state of affairs of funds under management of Alfalah GHP Investment Management Limited, the results of their operations, cash flows and the changes in Unit-holders funds.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon Funds under management of Alfalah GHP Investment Management Limited's ability to continue as a going concern.
- g) Outstanding statutory payment on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
- h) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- i) The summary of key financial data is given above in this Director Report.
- j) Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- k) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- l) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2016 as given in note # 18.1
- m) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2016 is given in note # 18.1;

**Board of Directors**

Name of Director	Designation	Meetings Held	Meetings Attended	Leave Granted
Syed Ali Sultan	Chairman	5	5	-
Mr. Amin Dawood Saleh	Director	5	5	-
Mr. Michael Buchen	Director	5	5	-

Mr. Hanspeter Beier	Director	5	2	68th, 70th & 72nd BOD
Ms. Maheen Rahman	Chief Executive Officer	5	5	-
Mr. Abid Naqvi	Director	5	5	-
Mr. Asif Saad	Director	-	-	-
Syed Tariq Husain	Director	1	-	70th BOD
Mr. Tufail J. Ahmad	Director	2	2	

### Change in Board Members during the year

Name	Designation	Appointed	Resigned.
Mr. Asif Saad	Director		Resigned
Syed Tariq Husain	Director	Appointed	Resigned
Mr. Tufail J. Ahmad	Director	Appointed	

The Board places on record their thanks and appreciation to outgoing Directors for their valuable contributions in the progress of the Company.

### Audit Committee Meetings

Below are the detail of Audit Committee meetings held during the period and attendance of Audit Committee Members.

Member	Meetings Held	Meetings Attended
Mr. Abid Naqvi	4	4
Syed Ali Sultan	4	4
Mr. Amin Dawood Saleh	4	2

### Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and behalf of the Board

Chief Executive Officer  
September 22, 2016



**REPORT OF THE FUND MANAGER**

**Type of Fund:** Open-end Scheme

**Category of Fund:** Conventional Money Market Scheme

**Investment Objective**

The investment objective of Alfalah GHP Cash Fund (AGCF) is to provide regular stream of income at comparative rate of return while preserving capital to extent possible by investing in assets with low risk and high degree of liquidity from a portfolio constituted of mostly money market securities and placements.

**Accomplishment of Objective**

The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration money market instruments within the guidelines provided under NBFC rules.

**Market Review**

Subdued inflation and the resultant slashing of the policy rate twice during FY16, first by 50bps in September 2015 and then by 25bps in May 2016, helped drop yields by 100-250bps during the year. Highest dip in yields was witnessed for 4 to 10 year instruments, with the resultant spread over Discount rate shrinking considerably which signified that the market expects the interest rates to remain lower for longer.

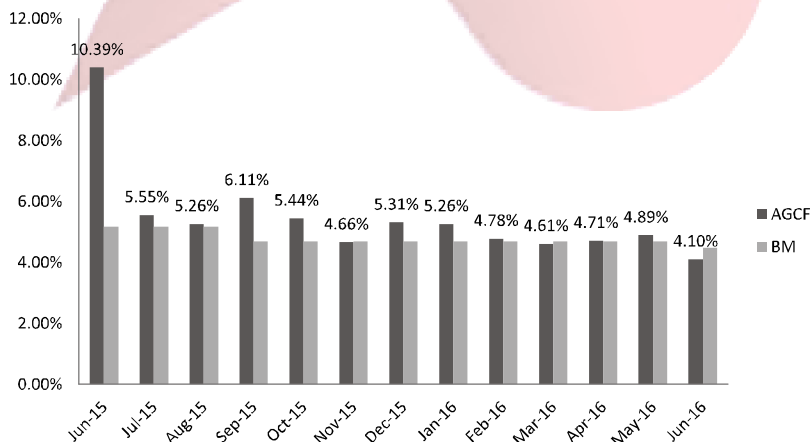
Given an outlook of subdued inflation in the short term and slightly higher CPI growth towards the end of 2016, it may be expected that the monetary policy rate will remain stable for the medium term. Factors that can lead to a sooner than expected rate hike include (i) further strengthening of oil prices due to reduced gap between demand and supply by 2017, (ii) greater than expected rise in prices of other energy related commodities, and (iii) pressure on PKR due to widening of the current account deficit.

**Fund Performance**

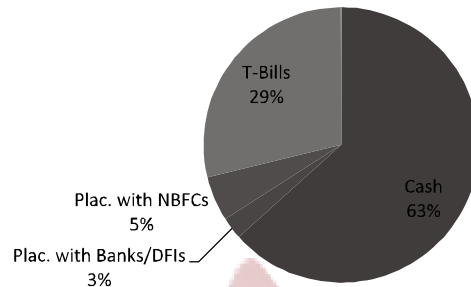
For the year ended June 30, 2016 the fund posted a return of 5.17%. During the same period the benchmark return (avg. 3M deposits rates of 3 "AA" rated banks) was 4.75%. AGCF was focused on maintaining moderate duration in order to gain from easing of monetary cycle. Majority of net assets were invested in treasury bills at attractive rates. Along with T-bill exposure, the fund also allocated investments to high yielding bank deposits including TDRs and LOPs with financial institutions having high credit ratings.

The fund's credit rating stood at "AA(f)" by PACRA.

**AGHP-Cash Fund Vs Benchmark**



### AGCF Asset Allocation



#### Assets Allocation/Portfolio quality

##### Credit Quality (as % of Total Assets)

Govt. Guar.	28.71%	A	0.00%
AAA	0.00%	A-	0.00%
AA+	54.91%	BBB+	0.00%
AA	16.30%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	0.08%

#### Future Outlook

Going forward, the Fund shall maintain lower duration as there's no further easing expected in the monetary cycle. Exposure shall also be taken in TDRs and LOPs in a timely manner at attractive rates to keep returns steady. The fund will continue to maintain low cash reserves, opting for short term T-Bills and high yielding placements to bolster the bottom line.

Description	For the year ended June 30 ,2016	For the year ended June 30 ,2015
Average Net Assets	837.501	1,046.533
Gross income	56.910	227.390
Total Comprehensive Income	33.459	84.415
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Redemption of units during the period	599.715	10,451.917

#### Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 31.3261 per unit

**MCB FINANCIAL SERVICES LIMITED****REPORT OF THE TRUSTEE TO THE UNIT HOLDERS****ALFALAH GHP CASH FUND****Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

Alfalsh GHP Cash Fund, an open-end Scheme established under a Trust Deed dated October 23, 2009 executed between Alfalsh GHP Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (Commission) on October 07, 2009.

CDC retired as the Trustee of the Fund and MCB Financial Services Limited (MCBFSL) was appointed as the new trustee with effect from June 21, 2012.

1. Alfalsh GHP Investment Management Limited, the Management Company of Alfalsh GHP Cash Fund has in all material respects managed Alfalsh GHP Cash Fund during the year ended 30<sup>th</sup> June 2016 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement



Khawaja Anwar Hussain  
Chief Executive Officer  
MCB Financial Services Limited

Karachi: August 31, 2016

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Regulation No.5.19.23 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Management Company has applied the principles contained in the CCG in the following manner:

1. The Management Company encourages representation of independent, executive and non-executive directors. At June 30, 2016 the Board includes:

Category	Names
Executive Director	Ms. Maheen Rahman (deemed director u/s 200 of Companies Ordinance, 1984)
Independent Directors	Mr. Abid Naqvi Mr. Tufail Jawed Ahmad
Non-Executive Directors	Mr. Syed Ali Sultan Mr. Michael Buchen Mr. Hanspeter Beier Mr. Amin Dawood Saleh

The Independent Directors meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One Casual vacancy occurring on the Board on March 18, 2016 was filled within 10 days and another occurring on July 09, 2015 was filled on December 09, 2015.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranged two training programs for its directors during the year.
10. The Board has approved appointment of CFO including the remuneration and terms and conditions of appointment.
11. The Directors' Report of the Fund for the year ended June 30, 2016 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO / COO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding.
14. The Management Company and Funds under its Management have complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The board has outsourced the internal audit function to M. Yousuf Adil Saleem & Co., Chartered Accountants (a member firm of Deloitte Touché Tohmatsu International), who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'Book Closure' dates were duly determined and intimated to the stock exchange, however the 'closed period' prior to the announcement of interim / final results, and business decisions was not determined and intimated to directors, employees and the stock exchange, considering the fact that NAV of the Fund is announced on a daily basis.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

**For and on behalf of the Board**

**Maheen Rahman  
Chief Executive Officer**



EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530  
Pakistan

Tel: +9221 3565 0007-11  
Fax: +9221 3568 1965  
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## **REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Alfalah GHP Investment Management Limited (the Management Company) of **Alfalah GHP Cash Fund** (the Fund) for the year ended **30 June 2016** to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.23 of the Code of Corporate Governance, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Management Company's compliance with the provisions of the Code in respect of the Fund and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2016.

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Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement:

Paragraph Reference	Description
4	The casual vacancy occurring on the Board on 09 July 2015 was not filled within 90 days.
21	The 'closed period' was not determined and intimated to directors, employees and stock exchange.

ع-16x

**Chartered Accountants**

Karachi

Date: September 22, 2016



EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530  
Pakistan

Tel: +9221 3565 0007-11  
Fax: +9221 3568 1965  
ey.khi@pk.ey.com  
ev.com/pk

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

### *REPORT ON THE FINANCIAL STATEMENTS*

We have audited the accompanying financial statements of **Alfalah GHP Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2016**, and the related statements of income, comprehensive income, cash flows, distribution and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's responsibility for the financial statements*

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





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**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2016 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Chartered Accountants



Audit Engagement Partner: Shabbir Yunus

Date: September 22, 2016

Karachi

## STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015
<b>Assets</b>			
Bank balances	4	1,203,660,664	85,151,305
Investments	5	695,991,000	1,149,427,061
Mark-up receivable on bank deposits		1,125,488	1,957,789
Prepayments	6	198,158	294,393
<b>Total assets</b>		<b>1,900,975,310</b>	<b>1,236,830,548</b>
<b>Liabilities</b>			
Payable to the Management Company	7	12,534,905	12,314,858
Payable to the Trustee	8	77,066	165,032
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	627,575	1,799,590
Provision for Workers' Welfare Fund (WWF)	10	17,794,505	17,794,505
Distribution payable		-	48,715,600
Payable to unit holders		-	108,657,022
Accrued and other liabilities	11	2,291,992	851,012
<b>Total liabilities</b>		<b>33,326,043</b>	<b>190,297,619</b>
<b>Net assets attributable to unit holders</b>		<b>1,867,649,267</b>	<b>1,046,532,929</b>
<b>Unit holders' fund (as per the statement attached)</b>		<b>1,867,649,267</b>	<b>1,046,532,929</b>
<b>Contingencies and commitments</b>	12		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>3,768,440</b>	<b>2,089,041</b>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<b>495.60</b>	<b>500.96</b>

The annexed notes 1 to 23 form an integral part of these financial statements.

For Alfalsh GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015
<b>Income</b>			
Finance income	13	56,750,109	222,935,917
'At fair value through profit or loss' - held-for-trading			
- Net gain on sale of investments		114,534	4,369,661
- Net unrealised gain on revaluation of investments	5.1	45,658	84,508
<b>Total income</b>		<b>56,910,301</b>	<b>227,390,086</b>
<b>Expenses</b>			
Remuneration of the Management Company	7.1	8,370,108	23,994,538
Sales tax on management fee		1,358,549	4,172,328
Federal excise duty on management fee	14	1,339,191	3,841,837
Remuneration of the Trustee		984,847	2,015,757
Sales tax on trustee fee		137,879	-
Annual fee to the SECP		627,574	1,799,590
Amortisation of preliminary expenses and floatation costs		-	443,125
Bank and settlement charges		25,127	51,485
Legal and professional charges		123,714	598,557
Auditors' remuneration	15	625,680	612,388
Brokerage expense		57,516	213,716
Provision for Workers' Welfare Fund (WWF)	10	-	1,722,752
Fees and subscriptions		387,321	446,074
Expenses allocated by the Management Company	7.2	502,180	-
Printing charges		135,588	191,226
<b>Total expenses</b>		<b>14,675,274</b>	<b>40,103,373</b>
<b>Net income from operating activities</b>		<b>42,235,027</b>	<b>187,286,713</b>
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		<b>(8,776,242)</b>	<b>(102,871,863)</b>
<b>Net income for the year before taxation</b>		<b>33,458,785</b>	<b>84,414,851</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>33,458,785</b>	<b>84,414,851</b>

The annexed notes 1 to 23 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
<b>Net income for the year after taxation</b>	<b>33,458,785</b>	<b>84,414,851</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u><b>33,458,785</b></u>	<u><b>84,414,851</b></u>

The annexed notes 1 to 23 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
<b>Undistributed income brought forward:</b>		
- Realised gains	7,384,792	10,723,192
- Unrealised gains	84,508	283,903
	<b>7,469,300</b>	11,007,095
Element of income and capital gains included in prices of units sold less those in units redeemed - net	<b>6,004,638</b>	-
Total comprehensive income for the year	<b>33,458,785</b>	84,414,851
Interim distribution for the year ended June 30, 2016: - Cash distribution of Rs.31.3261 per unit (2015: Rs.44.80 per unit) approved on June 22, 2016	<b>(39,414,650)</b> <b>(5,955,865)</b>	(87,952,646) (3,537,795)
<b>Undistributed income carried forward</b>	<b>7,518,073</b>	7,469,300
<b>Undistributed income carried forward:</b>		
- Realised gains	<b>7,472,415</b>	7,384,792
- Unrealised gains	<b>45,658</b>	84,508
	<b>7,518,073</b>	7,469,300

The annexed notes 1 to 23 form an integral part of these financial statements.

For Alfalsh GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
<b>Net assets at beginning of the year</b>	<b>1,046,532,929</b>	2,108,430,814
Amount realised on issuance of 2,854,697 units (2015: 17,494,779 units)	<b>1,418,011,166</b>	9,290,684,749
Amount paid on redemption of 1,175,298 units (2015: 19,600,298 units)	<b>(599,715,206)</b>	(10,451,916,701)
	<b>818,295,960</b>	(1,161,231,952)
Element of loss and capital losses included <b>in prices of units sold less those in units redeemed - net</b>	<b>8,776,242</b>	102,871,863
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	<b>114,534</b>	4,369,661
Net unrealised gain on revaluation of investments 'at fair value through profit or loss' - held-for-trading	<b>45,658</b>	84,508
Other net income for the year	<b>33,298,593</b>	79,960,682
Interim distribution for the year ended June 30, 2016: - Cash distribution of Rs.31.3261 per unit (2015: Rs.44.80 per unit) approved on June 22, 2016	<b>(39,414,650)</b>	(87,952,646)
Net loss for the year less distribution	<b>(5,955,865)</b>	(3,537,795)
<b>Net assets at the end of the year</b>	<b>1,867,649,267</b>	1,046,532,929
[Net asset value: Rs.495.60 per unit (2015: Rs.500.96 per unit)]		

The annexed notes 1 to 23 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	33,458,785	84,414,851
<b>Adjustments for:</b>		
Net gain on sale of investments classified as		
'at fair value through profit or loss' - held-for-trading	(114,534)	(4,369,661)
Net unrealised gain on revaluation of investments		
'at fair value through profit or loss' - held-for-trading	(45,658)	(84,508)
Mark-up on deposit accounts with banks	(12,773,581)	(10,978,884)
Amortisation of preliminary expenses and floatation costs	-	443,125
Income from market treasury bills	(37,502,832)	(4,816,212)
Income from Pakistan Investment Bonds	(2,085,055)	-
Income from letters of placement	(619,246)	(21,946,828)
Income from term deposit receipts	(3,470,785)	-
Income from certificate of investment	(298,611)	-
Provision for Workers' Welfare Fund (WWF)	-	1,722,752
Element of loss and capital losses included		
in prices of units sold less those in units redeemed - net	8,776,242	102,871,863
	(14,675,275)	147,256,497
Decrease in assets		
Investments - net	193,907,954	1,513,212,491
Prepayments	96,235	213,301
	194,004,189	1,513,425,792
(Decrease) / increase in liabilities		
Payable to the Management Company	220,047	4,904,900
Payable to the Trustee	(87,966)	8,103
Annual fee payable to SECP	(1,172,015)	(248,874)
Payable to unit holders	(108,657,022)	106,832,471
Accrued and other liabilities	1,440,980	359,360
	(108,255,976)	111,855,960
Mark-up received during the year	57,582,411	37,530,880
Net cash generated from operating activities	128,655,349	1,810,069,129
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received on issuance of units	1,418,011,166	9,290,684,749
Payments made against redemption of units	(599,715,206)	(10,451,916,701)
Dividend paid	(88,130,250)	(39,237,046)
Net cash generated from / (used) in financing activities	730,165,710	(1,200,468,998)
Net increase in cash and cash equivalents during the year	858,821,059	609,600,131
Cash and cash equivalents at beginning of the year	812,472,646	202,872,515
Cash and cash equivalents at end of the year	17 1,671,293,705	812,472,646

The annexed notes 1 to 23 form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Cash Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on October 23, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) on October 07, 2009.

In 2012, the first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and MCB Financial Services Limited was appointed as the new Trustee. The Securities and Exchange Commission of Pakistan authorised the constitution of the Trust Deed on June 13, 2012 and it was executed on June 21, 2012 in accordance with the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under the NBFC Rules. The registered office of the Management Company is situated at 8th Floor (8-B), Executive Tower, Dolmen City, Block-4, Clifton, Karachi.

Alfalah GHP Cash Fund is listed on the Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited). The units of the Fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund offers two types of units, Growth and Income. Growth Unit Holders are entitled to bonus units and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund.

The Fund is an open end money market scheme. The primary investment objective of the Fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted mostly money market securities and placements.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of 'AM2' (outlook stable) to the Management Company in its rating report dated June 08, 2016 and AA(f) to the Fund in its credit rating report dated December 31, 2015.

The 'Title' to the assets of the Fund is held in the name of MCB Financial Services Limited as the trustee of the Fund.

### 2. BASIS OF PRESENTATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments held at 'fair value through profit or loss' category which are measured at fair value.



### 2.3 Functional and presentation currency

The financial statements are presented in Pak rupees, which is the Fund's functional and presentation currency.

### 2.4 Accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 3.2 and 3.3.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described in note 3.1 below.

### 3.1 New and amended standards and interpretations

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements  
IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above accounting standards did not have any effect on the financial statements, except for IFRS 13, which requires certain additional disclosure (see note 20).

### 3.2 Financial instruments

The Fund classifies its financial instruments and derivatives in the following categories:

#### a) Financial instruments at fair value through profit or loss

An instrument is classified 'at fair value through profit or loss' if it is 'held-for-trading' or is designated as such upon initial recognition. Financial instruments are designated 'at fair value through profit or loss' if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short-term price fluctuation or are part of the portfolio in which there is recent actual pattern of short-term profit taking are classified as 'held-for-trading' or derivatives. Upon initial recognition attributable transaction costs are recognised in Income Statement when incurred. Financial instruments 'at fair value through profit or loss' are measured at fair value, and changes therein are recognised in the Income Statement.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held-for-trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities 'held-for-trading'.

#### b) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available-for-sale'.

### c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as 'fair value through profit or loss' or 'available-for-sale'. This includes letter of placements, receivable against sale of investments and other receivables.

### d Financial liabilities

Financial liabilities, other than those at 'fair value through profit or loss', are measured at amortised cost using the effective yield method.

#### Recognition

The Fund recognises financial assets and financial liabilities on the date when it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

#### Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a 'financial instrument not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Transaction costs on financial instrument at 'fair value through profit or loss' are expensed out immediately.

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and available-for-sale' are measured at fair value. Gains or losses arising, from changes in the 'fair value of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, then the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement. Unquoted securities are carried at investment price or break-up value which ever is lower, except for Government and debt securities which are stated at fair value.

#### Fair value measurement principles

##### Basis of valuation of Government securities

Fair value of the investments in Federal Government securities comprising Treasury Bills is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

### 3.3 Impairment

Impairment loss on investment is recognised in the Income Statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the Income Statement amount. Impairment losses are recognised in the Income Statement.

### 3.4 Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with International Accounting Standard 39: Financial Instruments; Recognition and Measurement.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

### 3.5 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

### 3.7 Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The element of income and capital gains included in the prices of units issued less those in unit redeemed to the extent that is represented by distributable income earned during the year is recognised in the income statement and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the distribution statement.

During the year, the management has revised the method of computation of the "Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" (the Element) in the Fund. As per revised methodology, the Element is arrived at by recording element gain / (loss) on every issuance and redemption using adjusted profit factor of that particular day. Previously, the Fund used to calculate the Element by comparing unit prices with opening Ex-Net Assets Value (NAV) at the beginning of the financial year.

The impact of change has been incorporated in the financial statements of the Fund with effect from July 01, 2015. The revised methodology would ensure that the continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units.

Since the element is an equalisation account between income for the period and undistributed income, the change did not have any impact on Net Asset Value (NAV) of the Fund. Had the methodology not been changed, the net income for the year ended June 30, 2016 would have been lower by Rs.14.240 million.

### 3.8 Provisions

A provision is recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

### 3.9 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from March 13, 2010 as per the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

### 3.10 Net asset value per unit

The net asset value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

### 3.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

### 3.12 Taxation

Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from tax to any income derived by a Mutual Fund, if not less than ninety percent of its accounting income of a year as reduced by capital gains whether realized or unrealized is distributed in cash among the unit holders.

### 3.13 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

### 3.14 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

### 3.15 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed is included in the Income Statement on the date of sale and redemption of units.
- Income on certificate of investments, placements and Government securities is recognised on a time proportionate basis using effective yield method.
- Dividend Income is recognised when the right to receive the dividend is established.
- Profit on bank deposit is recognized on time proportionate basis taking into account effective yield.

### 3.16 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

### 3.17 Cash and cash equivalents

Cash and cash equivalent comprises saving account, short-term deposits maintained with banks and other short-term highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

### 3.18 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

### 3.19 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretations and amendments:

<b>Standard, interpretation or amendment</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
<b>Standard, interpretation or amendment</b>	<b>Effective date (accounting periods beginning on or after)</b>
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

In addition to the above standards and interpretations, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2014. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standard</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

<b>4. BANK BALANCES</b>	<b>Note</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
		----- (Rupees) -----	
Deposit accounts	4.1	<u>1,203,660,664</u>	<u>85,151,305</u>
<p>4.1 These represent balances in deposit accounts maintained with various banks carrying mark-up at rates ranging from 5.50% to 7.00% (2015: 6.00% to 7.00%) per annum. This includes Rs.295.887 million (2015: Rs.7.041 million) placed with Bank Alfalah Limited (a related party).</p>			

<b>5. INVESTMENTS</b>	<b>Note</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
		----- (Rupees) -----	
<b>Financial assets classified as 'at fair value through profit or loss' - held-for-trading</b>			
Market treasury bills	5.1	<u>545,858,284</u>	884,335,736
<b>Held to maturity</b>			
Letters of placement	5.2	<u>100,035,520</u>	-
Certificates of investment		-	265,091,325
Term Deposit Receipts	5.3	<u>50,097,196</u>	-
		<u>695,991,000</u>	<u>1,149,427,061</u>

**5.1 Market Treasury Bills - 'at fair value through profit or loss' - held-for-trading**

Note	As at July 01, 2015	Purchased during the year	Sold / matured during the year	As at June 30, 2016	Carrying Value June 30, 2016	Market value as at June 30, 2016	Unrealised gain on revaluation	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
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----- (No. of certificates) -----      ---- (Rupees) ----      ----- (%) -----

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Market treasury bills - 3 months	5.1.1	4,650,000	17,300,000	18,750,000	3,200,000	317,475,680	317,500,325	24,645	21.30%	23.05%
Market treasury bills - 6 months	5.1.2	4,250,000	15,722,000	17,672,000	2,300,000	228,336,946	228,357,959	21,013	19.45%	21.05%
Market treasury bills - 12 months		-	3,920,000	3,920,000	-	-	-	-	-	-
<b>Total as at June 30, 2016</b>		<u>8,900,000</u>	<u>36,942,000</u>	<u>40,342,000</u>	<u>5,500,000</u>	<u>545,812,626</u>	<u>545,858,284</u>	<u>45,658</u>		
Total as at June 30, 2015		<u>19,500,000</u>	<u>130,640,000</u>	<u>141,240,000</u>	<u>8,900,000</u>	<u>884,161,393</u>	<u>884,335,736</u>	<u>174,343</u>		

**5.1.1** These represent market treasury bills having face value of Rs.320 million (2015: Rs.465 million) carrying purchase yield ranging from 5.92% to 5.99% (2015: 5.23% to 14.76%) per annum. These market treasury bills have maturity upto September 01, 2016 (2015: August 20, 2015).

**5.1.2** These represent market treasury bills having face value of Rs.230 million (2015: Rs.425 million) carrying purchase yield ranging from 5.92% to 6.18% (2015: 6.64% to 8.33%) per annum. These market treasury bills have maturity upto September 01, 2016 (2015: August 06, 2015).

## 5.2 Letters of placement - held to maturity

Name of the investee company	Face value					Carrying value as at June 30, 2016	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
	Rate of return per annum	As at July 01, 2015	Purchased during the year	Matured during the year	As at June 30, 2016					
----- (Rupees) -----										
Pak Oman Investment Company Limited	6.50%	-	100,000,000	-	100,000,000	100,035,520	July 13, 2016	AA+ / A1+	14.37%	5.35%
<b>Total as at June 30, 2016</b>		<b>-</b>	<b>100,000,000</b>	<b>-</b>	<b>100,000,000</b>	<b>100,035,520</b>				
<b>Total as at June 30, 2015</b>		<b>200,000,000</b>	<b>1,095,000,000</b>	<b>1,295,000,000</b>	<b>-</b>	<b>-</b>				

## 5.3 Term Deposit Receipts - held to maturity

Name of the investee company	Face value					Carrying value as at June 30, 2016	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
	Rate of return per annum	As at July 01, 2015	Purchased during the year	Matured during the year	As at June 30, 2016					
----- (Rupees) -----										
Allied Bank Limited	7.00% to 7.25%	-	360,000,000	360,000,000	-	-	-	-	-	-
Bank Alfalah Limited (a related party)	6.45%	-	120,000,000	70,000,000	50,000,000	50,097,196	July 13, 2016	AA	7.18%	2.68%
<b>Total as at June 30, 2016</b>		<b>-</b>	<b>480,000,000</b>	<b>430,000,000</b>	<b>50,000,000</b>	<b>50,097,196</b>				
<b>Total as at June 30, 2015</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				

## 6. PREPAYMENTS

	Note	June 30, 2016	June 30, 2015
----- (Rupees) -----			
Prepaid PACRA fee		198,158	170,679
Professional fee		-	123,714
		<b>198,158</b>	<b>294,393</b>

## 7. PAYABLE TO THE MANAGEMENT COMPANY

	Note	June 30, 2016	June 30, 2015
----- (Rupees) -----			
Remuneration payable	7.1	775,653	2,244,306
Sales tax payable on management fee		1,559,887	1,599,266
Federal excise duty on management fee		9,810,527	8,471,286
Expenses allocated by the Management Company	7.2	388,838	-
		<b>12,534,905</b>	<b>12,314,858</b>

7.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund is entitled to remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged remuneration at the rate of 1% (2015: 1%) per annum for the current period.

7.2 This represents the amount payable to the Management Company under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar, accounting, and other services related to CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less.

#### 8. PAYABLE TO THE TRUSTEE

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015 -----
Trustee fee	8.1	65,346	165,032
Sales tax on trustee fee		11,720	-
		<u>77,066</u>	<u>165,032</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.5 million or 0.12% p.a. of net assets whichever is higher.
Over 1 billion	Rs.1.2 million plus 0.06% p.a. of net assets exceeding Rs.1 billion.

#### 9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Under the provisions of the NBFC Regulations, an open ended asset allocation scheme is required to pay an annual fee to the SECP, an amount equal to 0.075% (2015: 0.075%) of the average annual net assets of the Fund.

#### 10. PROVISION FOR WORKERS' WELFARE FUND (WWF)

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. In March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the WWF Ordinance through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

As per the legal counsel handling the case, the constitutional petition filed by the CIS to challenge the WWF contribution has not been affected by SHC judgment.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.



The Management Company, as a matter of abundant caution, has made provision for WWF amounting to Rs.17.795 million up till June 30, 2015 (2015: Rs.17.795 million) in these financial statements. Had the provision not been made, the NAV per unit would have been higher by Rs.4.72 (0.94%) per unit (2015: Rs.8.52 (1.70%) per unit).

**11. ACCRUED AND OTHER LIABILITIES**

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
Auditors' remuneration	406,876	398,202
Withholding tax payable	1,512,747	286,120
Brokerage payable	20,975	32,300
Printing charges	128,691	134,390
Other payable	222,703	-
	<u>2,291,992</u>	<u>851,012</u>

**12. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at June 30, 2016.

**13. FINANCE INCOME**

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
Interest income on:		
<b>Financial assets classified as 'at fair value through profit or loss' - held-for-trading</b>		
- Marker treasury bills	37,502,832	4,816,212
- Pakistan Investment Bond	2,085,055	-
<b>Held to maturity</b>		
- Letters of placement	619,246	21,946,828
- Certificates of investment	298,610	185,193,993
- Term deposit receipts	3,470,785	-
<b>Others</b>		
Profit on deposit accounts with banks	12,773,581	10,978,884
	<u>56,750,109</u>	<u>222,935,917</u>

**14. FEDERAL EXCISE DUTY ON MANAGEMENT FEE**

As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

Subsequent to the year end, the Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. The management is however of the view that since the Federal Government still has the right to appeal against the order, the previous balance of FED cannot be reversed.

The Management Company, in view of the pending decision and as a matter of abundant caution has made a provision for FED in the books of accounts of the Fund with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.9.811 million (2015: Rs.8.471 million).

**15. AUDITORS' REMUNERATION**

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
Audit fee	<b>315,370</b>	315,370
Review and other certifications	<b>212,630</b>	212,630
	<b>528,000</b>	528,000
Sales tax	<b>31,680</b>	26,400
Out of pocket expenses	<b>66,000</b>	57,988
	<b>625,680</b>	612,388

**16. TAXATION**

The income of the Fund is exempt from income tax under Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 (Clause 99) subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed in cash amongst the unit holders. The Management Company has distributed not less than 90 percent of its annual accounting income to avail the tax exemption. Accordingly, no provision for current and deferred tax has been made in these financial statements.

**17. CASH AND CASH EQUIVALENTS**

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	-----
Balances with banks	<b>1,203,660,664</b>	85,151,305
Letters of placement	<b>100,035,520</b>	-
Certificates of investment	-	265,091,325
Term deposit receipts	<b>50,097,196</b>	-
Market treasury bills	<b>317,500,325</b>	462,230,016
	<b>1,671,293,705</b>	812,472,646

**18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited, MAB Investment Incorporated being associated companies of Management Company, Alfalah Insurance Company Limited, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and MCB Financial Services Limited (MCBFSL) being the trustee of the fund, persons holding 10% or more units of the fund, and other associated companies and connected persons. The transactions with the connected persons / related parties are in the normal course of business, at contractual rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Constitutive Documents respectively.

**18.1 Unit Holders' Fund**

	June 30, 2016									
	As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	As at June 30, 2016	As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2016
	(Units)					(Rupees)				
<b>Associated companies / undertakings</b>										
Bank Alfalah Limited *	1,050,927	-	66,477	66,477	1,050,927	526,475,918	-	32,925,556	32,925,556	520,842,294
<b>Other related parties</b>										
Alfalsh Insurance Company Limited	168,747	-	-	168,747	-	84,536,115	-	-	86,656,502	-
Bank Alfalah Limited - Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-
MCBFSL-Trustee Alfalah GHP Capital Preservation Fund	713,732	803,424	-	1,517,156	-	357,553,557	405,884,387	-	770,549,238	-
<b>Unit holder holding 10% or more units</b>										
Attock Cement Pakistan Limited *	-	1,200,923	-	-	1,200,923	-	594,973,202	-	-	595,180,607
The Nishat Mills Limited - Employees Provident Fund *	-	453,921	-	-	453,921	-	224,886,183	-	-	224,964,577
<b>June 30, 2015</b>										
	As at July 01, 2014	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	As at June 30, 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2015
(Units) (Rupees)										
<b>Associated companies / undertakings</b>										
Bank Alfalah Limited *	2,000,739	-	-	949,812	1,050,927	1,005,688,263	-	-	500,000,000	526,475,918
<b>Other related parties</b>										
Alfalsh Insurance Company Limited	154,918	168,747	-	154,918	168,747	77,870,834	84,500,000	-	83,979,372	84,536,115
Bank Alfalah Limited - Employees Gratuity Fund	100,000	-	-	100,000	-	50,265,840	-	-	54,165,000	-
MCBFSL-Trustee Alfalah GHP Capital Preservation Fund*	-	3,920,081	58,646	3,264,995	713,732	-	2,040,000,000	29,347,869	1,702,000,000	357,553,557
<b>Key management personnel</b>										
Head of Administration	-	192	-	192	-	-	100,000	-	100,227	-

\* This unit holder also holds more than 10% units in the Fund.

**18.2 Other transactions**

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
<b>Alfalsh GHP Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	8,370,108	23,994,538
Sales tax on management fee	1,358,549	4,172,328
Federal excise duty on management fee	1,339,191	3,841,837
Expenses allocated by the Management Company	502,180	-
<b>MCB Financial Services Limited - Trustee</b>		
Remuneration of the Trustee	984,847	2,015,757
Sales tax on Trustee fee	137,879	-
<b>Bank Alfalah Limited</b>		
Profit on deposit accounts	2,231,357	10,974,266
Profit on term deposit receipts	3,470,785	-
Bank charges during the year	25,127	51,485
Market treasury bills - purchased	1,503,328,880	6,461,577,035
Market treasury bills - sold	397,480,000	2,567,429,460
<b>Dividend paid to:</b>		
Bank Alfalah Limited	32,925,556	47,081,549
<b>CDC - Trustee Alfalah GHP Income Multiplier Fund</b>		
Market treasury bills - purchased	248,156,165	221,267,000
Market treasury bills - sold	-	307,434,560
<b>CDC - Trustee Alfalah GHP Sovereign Fund</b>		
Market treasury bills - sold	9,972,420	831,908,560
Market treasury bills - purchased	84,287,955	-
<b>CDC - Trustee Alfalah GHP Value Fund</b>		
Market treasury bills - purchased	-	73,048,500
Market treasury bills - sold	-	48,080,950
<b>Alfalsh GHP Income Fund</b>		
Market treasury bills - purchased	99,148,480	198,072,100
Market treasury bills - sold	4,994,025	365,117,480
<b>Alfalsh GHP Money Market Fund</b>		
Market treasury bills - purchased	16,974,839	153,960,225
Market treasury bills - sold	9,989,770	1,461,702,835
<b>Alfalsh GHP Stock Fund</b>		
Market treasury bills - purchased	-	39,845,240

**18.3 Other balances**

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
<b>Associated companies / undertakings</b>		
<b>Alfalsh GHP Investment Management Limited - Management Company</b>		
Remuneration payable to the Management Company	<u>775,653</u>	<u>2,244,306</u>
Sales tax payable on management fees	<u>1,559,887</u>	<u>1,599,266</u>
Federal excise duty payable on management fee	<u>9,810,527</u>	<u>8,471,286</u>
Expenses allocated by the Management Company	<u>388,838</u>	<u>-</u>
<b>Bank Alfalsh Limited</b>		
Bank balance	<u>259,887,460</u>	<u>7,041,824</u>
Profit receivable	<u>199,883</u>	<u>1,965,152</u>
<b>Other related parties</b>		
MCB Financial Services Limited - Trustee		
Remuneration payable to the Trustee	<u>65,346</u>	<u>165,032</u>
Sales tax on trustee fee	<u>11,720</u>	<u>-</u>

**19. FINANCIAL RISK MANAGEMENT FRAMEWORK**

The Fund's objective in managing risk is creation and protection of unit holder(s) value. Risk is inherent in Fund's activities therefore the Fund's risk management policies are established to manage risk on integrated basis to identify and analyse all risks faced by the Fund and to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Fund has exposure to market risk (which includes interest rate risk, currency risk and other price risk), credit risk, liquidity risk and operational risk arising from the financial instruments it holds. The Fund's risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

**19.1 Market risk**

Market risk is the risk that changes in market prices, such as interest rate or equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of Market risk management is to manage and control market risk exposures within the investment parameters as defined in Fund's constitutive and investment policy documents, while optimizing the return. The Fund is categorized as money market scheme. The objective of the Fund is to provide a regular stream of income at a competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted of money market securities and placements. The Management Company manages risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: Interest rate risk, currency risk and other price risk.

**19.1.1 Interest rate risk**

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial instruments and future cash flows. The interest rate environment is monitored on a regular basis and the portfolio mix of fixed and floating rate securities is altered. The Fund's investment in fixed interest rate securities expose it to fair value interest rate risk and investments in variable interest rate securities expose the Fund to cash flow interest rate risk.

**June 30, 2016**

On-balance sheet financial instruments	Yield / Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
<b>Financial assets</b>						
Bank balances	5.50 to 7.00	1,203,660,664	-	-	-	1,203,660,664
Investments	5.92 to 7.25	317,500,325	228,357,959	-	150,132,716	695,991,000
Profit receivable on deposit accounts with banks		-	-	-	1,125,488	1,125,488
		<u>1,521,160,989</u>	<u>228,357,959</u>	<u>-</u>	<u>151,258,204</u>	<u>1,900,777,152</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	1,164,491	1,164,491
Payable to the Trustee		-	-	-	65,346	65,346
Accrued and other liabilities		-	-	-	747,565	747,565
		-	-	-	1,977,402	1,977,402
<b>On-balance sheet gap</b>		<u>1,521,160,989</u>	<u>228,357,959</u>	<u>-</u>	<u>149,280,802</u>	<u>1,898,799,750</u>

**June 30, 2015**

On-balance sheet financial instruments	Yield / Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
<b>Financial assets</b>						
Bank balances	6 to 7	85,151,305	-	-	-	85,151,305
Investments	5.23 to 14.76	462,230,016	422,105,720	-	265,091,325	1,149,427,061
Mark-up receivable		-	-	-	1,957,789	1,957,789
		<u>547,381,321</u>	<u>422,105,720</u>	<u>-</u>	<u>267,049,114</u>	<u>1,236,536,155</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	2,244,306	2,244,306
Payable to the Trustee		-	-	-	165,032	165,032
Distribution payable		-	-	-	48,715,600	48,715,600
Payable to unit holders		-	-	-	108,657,022	108,657,022
Accrued and other liabilities		-	-	-	538,492	538,492
		-	-	-	160,320,452	160,320,452
<b>On-balance sheet gap</b>		<u>547,381,321</u>	<u>422,105,720</u>	<u>-</u>	<u>106,728,662</u>	<u>1,076,215,703</u>

### Sensitivity analysis for fixed rate instruments

In case of 100 basis points increase / decrease in interest rate (determined by market forces) at year end, the net assets attributable to unit holders of the Fund and net income for the year would be lower / higher by Rs.0.698 million (2015: Rs.0.807 million). This analysis assumes that all other variables remain constant.

The composition of the Fund' s investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2016 is not necessarily indicative of future movements in interest rates.

### Sensitivity analysis for variable rate instruments

The Fund does not hold any variable rate instruments as on June 30, 2016.

#### 19.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak rupees.

#### 19.1.3 Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factor specific to an individual investment, its issuer or factors affecting all instrument traded in the market.

Presently, the Fund is not exposed to equity price risk, as the Fund does not hold any equity security as at June 30, 2016.

#### 19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The Fund is also exposed to counterparty risk, credit risk on bank balances, certain investments mark-up receivable on deposit accounts. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. All transactions are settled / paid for upon delivery. The Fund does not expect to incur material credit losses on its financial assets.

The maximum exposure to credit risk before any credit enhancements at 30 June 2016 is the carrying amount of the financial assets as set out below:

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
<b>Financial assets</b>		
Bank balances	1,203,660,664	85,151,305
Investments	150,132,716	265,091,325
Mark-up receivable on deposit accounts with banks	1,125,488	1,957,789
	<u>1,354,918,868</u>	<u>352,200,419</u>

Investment in Government securities amounting to Rs.545.858 million (2015: Rs.884.336 million) is not exposed to credit risk.

No financial assets carried at amortised cost were past due or impaired either at June 30, 2016 and June 30, 2015.

**Concentration of credit Risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly exposed to Government certificates and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk. All deposits with Banks and Development Financial Institution are highly rated and risk of default is considered minimal.

Details of credit ratings of the balances with banks as at June 30, 2016 are as follows:

	June 30, 2016 ----- (Rupees) -----	June 30, 2015 -----
AA/A1+	943,773,204	7,042,855
AA+ / A1+	259,887,460	78,108,450
	<u>1,203,660,664</u>	<u>85,151,305</u>

**19.3 Liquidity risk**

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Management Company manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

The Fund has the ability to borrow, with prior approval of Trustee, for meeting redemption. No such borrowings have arisen during the year, the maximum amount available to the Fund from borrowings is limited to the extent of 15% of total assets at the time of borrowing with repayment within 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period from the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

As at June 30, 2016			
Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
----- (Rupees) -----			

**On balance sheet financial liabilities**
**Liabilities**

Payable to the Management Company	1,164,491	1,164,491	-	-
Payable to the Trustee	65,346	65,346	-	-
Accrued and other liabilities	747,565	20,975	726,590	-
	<u>1,977,402</u>	<u>1,250,812</u>	<u>726,590</u>	<u>-</u>



As at June 30, 2015

	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
----- (Rupees) -----				
<b>On balance sheet financial liabilities</b>				
<b>Liabilities</b>				
Payable to the Management Company	2,244,306	2,244,306	-	-
Payable to the Trustee	165,032	165,032	-	-
Accrued and other liabilities	538,492	32,300	506,192	-
Distribution payable	48,715,600	48,715,600	-	-
Redemption payable	108,657,022	108,657,022	-	-
	<u>160,320,452</u>	<u>159,814,260</u>	<u>506,192</u>	<u>-</u>

#### 19.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

#### 19.5 Capital Risk Management

The Fund is an open end collective investment scheme. The capital of the open end schemes is represented by net assets attributable to unit holders. The capital risk in case of open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.



The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the fund yield and movement of NAV and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to maintain minimum net assets of one hundred million rupees at all times during the life of the scheme.

## 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has no affect on the financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyse financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at June 30, 2016			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets classified as at fair value through profit or loss' - held-for-trading</b>				
Market treasury bills	-	545,858,284	-	545,858,284

As at June 30, 2015

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets classified as at fair value through profit or loss' - held-for-trading</b>				
Market treasury bills	-	884,335,736	-	884,335,736

**21. SUPPLEMENTARY NON FINANCIAL INFORMATION**

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

**22. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on September 22, 2016 by the Board of Directors of the Management Company.

**23. GENERAL**

**23.1** Figures are rounded off to the nearest rupee.

**23.2** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements

**For Alfalsh GHP Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION  
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)  
OF THE FIFTH SCHEDULE TO THE  
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

**(i) UNIT HOLDING PATTERN OF THE FUND**

Category	As at June 30, 2016			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	31	278,573	138,060,750	7%
Associated Co./ Directors	1	1,050,927	520,839,632	28%
Banks/Dfis	-	-	-	-
Insurance Co.	5	643,639	318,987,618	17%
Retirement & Other Funds	5	465,357	230,630,860	12%
Others	9	1,329,944	659,130,408	35%
	<u>51</u>	<u>3,768,440</u>	<u>1,867,649,267</u>	<u>100%</u>

Category	As at 30 June 2015			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	35	51,343	25,721,169	2%
Associated Co./ Directors	4	1,933,407	968,565,953	93%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	5	14,859	7,443,953	1%
Others	7	89,431	44,801,854	4%
	<u>51</u>	<u>2,089,041</u>	<u>1,046,532,929</u>	<u>100%</u>

**(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID**

	30 June 2016 %
INVEST & FINANCE SECURITIES LIMITED	19
VECTOR CAPITAL PVT LIMITED	17
ICON SECURITIES LIMITED	16
BMA CAPITAL MANAGEMENT LIMITED	16
JS GLOBAL CAPITAL LIMITED	8
INVEST ONE MARKETS LIMITED	7
INVEST CAPITAL MARKETS LIMITED	6
KASB SECURITIES LIMITED	2
SUMMIT CAPITAL (PVT) LIMITED	1
C & M Management PVT Limited	1

**(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID**

 30 June  
2015  
%

BMA CAPITAL MANAGEMENT LIMITED	17
INVEST CAPITAL MARKETS LIMITED	17
INVEST ONE MARKETS LIMITED	17
INVEST & FINANCE SECURITIES LIMITED	12
SUMMIT CAPITAL (PVT) LIMITED	8
NEXT CAPITAL MARKETS LIMITED	7
VECTOR CAPITAL LIMITED	7
ICON SECURITIES LIMITED	7
MAGNETA CAPITAL PVT LIMITED	5
KASB SECURITIES LIMITED	2

**(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Maheen Rahman  
Noman Soomro  
Shariq Mukhtar Hashmi  
Muddasir Ahmed Shaikh  
Nabeel Malik  
Imran Altaf  
Kashif Kasim

**Maheen Rahman – CEO**

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

**Noman Soomro**

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses."

**Shariq Mukhtar Hashmi**

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of

Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

#### **Muddasir Ahmed Shaikh**

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

#### **Nabeel Malik**

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds' team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

#### **Imran Altaf**

Mr. Altaf has over six years of experience in Investment Valuation, Financial Research and Portfolio Management. Before joining Alfalah GHP Investment Management as a portfolio manager, he was associated with Faysal Asset Management as a fixed income portfolio manager over 2012 to 2014. He was previously affiliated with Faysal Bank Limited and its Equity Capital Market (ECM) division from 2010 to 2012 in the capacity of an investment analyst. Mr. Altaf is a CFA Charter holder and has an MBA Degree from SZABIST University.

#### **Kashif Kasim**

"Mr. Kasim is part of the Alfalah GHP's Investment team since 2013 and has continuously added value to the Investment Management function since then. As an acknowledgement of his efforts and quick learning skills he was promoted to the role of Junior Portfolio Manager. Mr. Kasim is pursuing his MBA from Pakistan Air Force Karachi Institute of Economics & Technology (PAF KIET) and is also a Level II candidate of Chartered Financial Analyst (CFA) exam."

#### **(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The 68th, 69th, 70th, 71st and 72nd Board Meetings were held on 24 Aug 2015, 29 Oct 2015, 25 Feb 2016, 27 Apr 2016 and 30 June 2016 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Amin Dawood Saleh	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Mr. Michael Buchen	5	5	-	-
Mr. Tufail Jawed Ahmad	2	2	-	-
Syed Tariq Husain	1	-	1	1

**SUPPLEMENTARY NON FINANCIAL INFORMATION  
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)  
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE  
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

**PERFORMANCE TABLE - AGCF**

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
	----- (Rupees) -----				
Net Assets (Rs. '000)	<b>1,867,649</b>	1,046,533	2,108,431	2,887,941	3,513,823
NAV per unit	<b>495.6000</b>	500.9600	502.6600	500.3200	500.7200
Selling price per unit	<b>495.6000</b>	500.9600	502.6600	500.3200	500.7200
Redemption price per unit	<b>495.6000</b>	500.9600	502.6600	500.3200	500.7200
Highest selling price per unit	<b>526.6200</b>	545.2200	503.6900	505.4700	505.7600
Highest redemption price per unit	<b>526.6200</b>	545.2200	503.6900	505.4700	505.7600
Lowest selling price per unit	<b>495.4300</b>	500.7500	500.6400	500.1900	500.2500
Lowest redemption price per unit	<b>495.4300</b>	500.7500	500.6400	500.1900	500.2500
Total interim distribution per unit	<b>31.33</b>	44.8	36.68	43.91	51.93
Interim distribution date	<b>22-Jun-16</b>	26-Jun-15	26-Jul-13	27-Jul-12	27-Jul-11
	N/A	N/A	28-Aug-13	27-Aug-12	27-Aug-11
	N/A	N/A	28-Sep-13	27-Sep-12	27-Sep-11
	N/A	N/A	31-Oct-13	28-Oct-12	27-Oct-11
	N/A	N/A	28-Nov-13	28-Nov-12	28-Nov-11
	N/A	N/A	28-Dec-13	27-Dec-12	27-Dec-11
	N/A	N/A	28-Jan-14	27-Jan-13	27-Jan-12
	N/A	N/A	28-Feb-14	27-Feb-13	27-Feb-12
	N/A	N/A	28-Mar-14	27-Mar-13	27-Mar-12
	N/A	N/A	25-Apr-14	29-Apr-13	27-Apr-12
	N/A	N/A	28-May-14	27-May-13	27-May-12
	N/A	N/A	27-Jun-14	28-Jun-13	27-Jun-12
Final distribution per unit	<b>Nil</b>	Nil	Nil	Nil	Nil
Final distribution date	<b>N/A</b>	N/A	N/A	N/A	N/A
Annualized returns %	<b>5.17%</b>	6.67%	8.09%	9.06%	11.01%
Income distribution %	<b>6.25%</b>	8.91%	7.33%	8.77%	10.44%
Weighted avg. portfolio duration (Days)	<b>17 Days</b>	31 Days	41 Days	54 Days	36 Days

Return since inception is **8.96 %**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

بورڈ آف ڈائریکٹرز:

غیر حاضری	میٹنگ میں شرکت	منعقدہ میٹنگ	عہدہ	ڈائریکٹر کے نام
-	5	5	چیئر مین	جناب سید علی سلطان
-	5	5	ڈائریکٹر	جناب امین داؤد صالح
-	5	5	ڈائریکٹر	جناب مائیکل چین
72، 70th، 68th بورڈ آف ڈائریکٹر	5	5	ڈائریکٹر	جناب ٹیس پیٹر بائیر
-	5	5	چیف ایگزیکٹو آفیسر	محترمہ مایین رحمان
-	5	5	ڈائریکٹر	جناب عابد نقوی
-	-	-	ڈائریکٹر	جناب آصف سعید
70th بورڈ آف ڈائریکٹر	-	1	ڈائریکٹر	جناب سید طارق حسین
-	2	2	ڈائریکٹر	جناب طفیل جاوید احمد

سال کے دوران بورڈ کے ممبران کی تبدیلی:

نام	عہدہ	تقرری	استعفی
جناب آصف سعید	ڈائریکٹر		استعفی
سید طارق حسین	ڈائریکٹر	تقرری	استعفی
جناب طفیل جاوید احمد	ڈائریکٹر	تقرری	

بورڈ اپنے سیکرٹس ہونے والے ڈائریکٹر جنرات کا کھٹی میں خدمات پیش کرنے پر شکر گزار ہے۔

آڈٹ کمیٹی کی میٹنگز:

اس سال کے دوران آڈٹ کی میٹنگز کی تفصیلات اور آڈٹ کمیٹی کے ممبران کی شرکت کی تفصیلات درج ذیل ہیں:

ممبر	میٹنگ منعقدہ	میٹنگ میں حاضری
جناب عابد نقوی	4	4
جناب سید علی سلطان	4	4
جناب امین داؤد صالح	4	2

اظہار تشکر:

ڈائریکٹر سیکرٹری ریزرو ایڈمنسٹریٹو ایجنسی کمیشن آف پاکستان کے تعاون پر ان کا شکریہ ادا کرتے ہیں اس کے علاوہ بورڈ نے انتظامی کمیٹی کے ملازمین اور ڈسٹریبیوٹرز کا بھی شکریہ ادا کیا ہے جنہوں نے انتظامیہ پر مکمل اعتماد کرتے ہوئے محنت اور لگن سے کام کیا۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

مورخہ: 22 ستمبر 2016ء





مالی تفصیلات:

(ملین روپے)

تفصیل	برائے سال ۲۰۱۶ء	برائے سال ۲۰۱۵ء
اوسط صافی اثاثہ	837.501	1,046.533
مجموعی آمدنی	56.910	227.390
کل آمدنی	33.459	84.415
فی یونٹ صافی اثاثہ کی ویلیو (پاکستانی روپے)	495.60	500.96
سال کے دوران پونش کا اجراء	1,418.011	9,290.685
سال کے دوران پونش کی کمی	599.715	10,451.917

اواہنگی:

زیر نظر سال کے آخر میں فنڈ کی نقد اواہنگی کا ڈیویڈنڈ 31.3261 پاکستانی روپے فی یونٹ رہا۔

کارپوریٹ گورننس:

- انتظامی کیتھی اعلیٰ معیار کے کارپوریٹ گورننس پریکٹس پر یقین رکھتی ہے لہذا اس کے مطابق بورڈ آف ڈائریکٹرز کی جانب سے درج ذیل کی یقین دہانی کی جاتی ہے:
- (اے) کیتھی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کیتھی کے حالات، اس کے آپریشنز کے نتائج، پیش قلو اور ایکٹیوٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- (بی) کیتھی کے کھاتے مناسب طریقہ سے رکھے جا رہے ہیں۔
- (سی) مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور مختصاً فیصلوں پر مبنی ہوتے ہیں۔
- (ڈی) مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیار (IFRS) جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔
- (ای) انٹرنل کنٹرول کے نظام مضبوط ہیں اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- (ایف) آنے والے سالوں میں الفلاح جی ایچ پی انویسٹمنٹ لمیٹڈ کی انتظامیہ کے تحت فنڈ کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- (جی) مالیاتی گوشواروں میں تمام واجب الادا سیکسز، ڈیویڈنڈ اور دیگر چارجز کی مکمل تفصیلات فراہم کر دی گئی ہیں۔
- (ایچ) کیتھی میں کارپوریٹ گورننس کو مکمل طور پر نافذ کیا ہے جو کہ لسٹنگ ریگولیشن میں درج ہے اور اس سے کوئی انحراف نہیں کیا گیا ہے۔
- (آئی) اہم مالیاتی تفصیلات اس ڈائریکٹر رپورٹ میں فراہم کر دی گئی ہیں۔
- (جے) بورڈ آف ڈائریکٹرز کی میٹنگ کی تفصیلات اور ان میں ہونے والے فیصلوں کے بارے میں غیر مالیاتی معلومات کی سالانہ رپورٹ کے نوٹ نمبر (iv) میں دی گئی ہیں۔
- (کے) اس سالانہ رپورٹ کی عمومی غیر مالیاتی معلومات پونٹ ہولڈرز کی تفصیل نوٹ نمبر (i) میں دی گئی ہیں۔
- (ایل) چیف ایگزیکٹو، ڈائریکٹر، ایگزیکٹو ز اور ان کے شریک حیات کی جانب سے فنڈ کے پونش کی تعداد ۳۰ جون ۲۰۱۶ء نوٹ نمبر 18.1 میں فراہم کر دی گئی ہے۔
- (ایم) چیف ایگزیکٹو، ڈائریکٹر، ایگزیکٹو ز اور ان کی بیگمات کی جانب سے مطلوبہ پونش / تعداد ۳۰ جون ۲۰۱۶ء نوٹ نمبر 18.1 میں فراہم کر دی گئی ہے۔

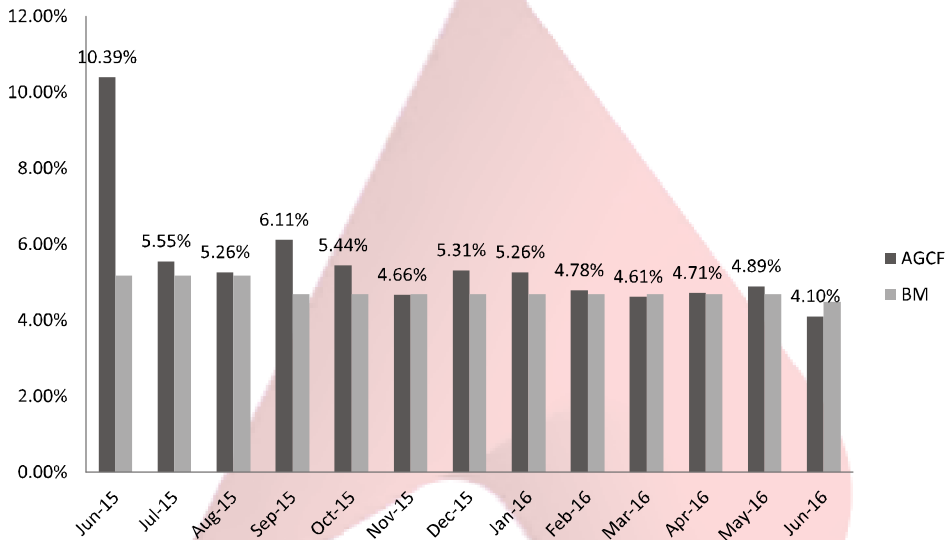
فنزڈ کی کارکردگی اور تجزیہ:

الفلاح جی ایچ پی کیش فنڈ: فنڈ آپریشن اور اس کی کارکردگی:

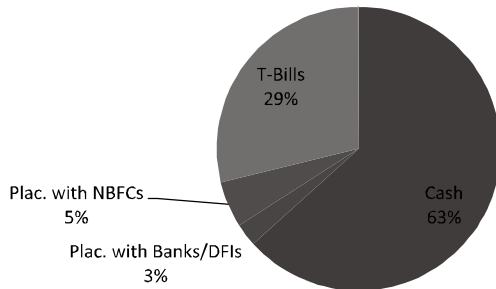
مالیاتی سال 30 جون 2016ء کے لئے فنڈ کے حوالے سے 5.17% آمدنی رہی اسی مدت کے دوران بیچ مارک ریٹرن (تین "AA" ریٹ کردہ بینک کل اوسط شرح) 4.75% تھا۔ اسے جی سی ایف کو اس دوران آسان مالیاتی سائیکل کے لئے درمیانی مدت پر انحصار کرنا پڑا۔ صاف اٹا شہادت کی سرمایہ کاری بہترین ریٹ کی بنیاد پر T-Bills میں کی گئی اس کے ساتھ ساتھ سرمایہ کاری کے معیار کو بہتر بنانے کے لئے اچھے کریڈٹ ریٹنگ والے بینک کے TDR اور LOP میں بھی سرمایہ کاری کی گئی۔

فنزڈ کے سلسلے میں PACRA نے "AA+(f)" کی ریٹنگ تفویض کی ہے۔

### AGHP-Cash Fund Vs Benchmark



### AGCF Asset Allocation



ڈائریکٹرز رپورٹ:

ہمارے معزز اینڈ ہولڈرز،

الفلح جی ایچ پی انویسٹمنٹ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز مالیاتی سال ۲۰۱۶ء کیلئے فنڈز کی سالانہ رپورٹ پیش کر رہے ہیں۔

اقتصادی جائزہ برائے مالیاتی سال ۲۰۱۶ء:

مالیاتی سال ۲۰۱۶ء میں پاکستان کی معیشت میں 4.70% کا اضافہ ہوا جو گذشتہ آٹھ سالوں میں سب سے زیادہ شرح رہی۔ یہ اضافہ بنیادی طور پر صنعتی اور خدماتی شعبوں کی بدولت رہا جس سے زرعی شعبے کی ناقص کارکردگی بلب پروردہ رہی تو اتائی کی وافر فراہمی اور پاک چائے کا اقتصادی راہداری منصوبوں کو مستقبل میں بھی جاری رکھنے کی امید کی جاتی ہے۔

مالیاتی سال ۲۰۱۶ء میں افراط زر کا تناسب 2.85% رہا جس کا موازنہ مالیاتی سال ۲۰۱۵ء کے تناسب 4.56% سے کیا جاسکتا ہے، تیل کی کم قیمتوں کی بدولت معیشت میں ترقی ہوئی اور ایشیائی قیمتوں میں اسی بنیاد پر سال کے آخر میں افراط زر کی شرح میں اضافے کے نتیجے میں شروع ہونے والے اگلے مالیاتی سال میں اضافہ کا امکان ہے۔ مالیاتی سال ۲۰۱۶ء کیلئے اسٹیٹ بینک کے تخمینوں کے مطابق اس کا تناسب 4.50% سے 4.80% ہے جو کہ ان منصوبوں سے قریب ترین تناسب ہے اور شرح سود 5.75% بنتی ہے اور ہمیں امکان ہے کہ اس مدت کے ساتھ سود کی شرح میں آگلی مدت کیلئے مزید اضافہ ہوگا۔

اس سال کے دوسرے حصہ میں مکمل طور پر معیشت کی خارجی حالت اسی تناسب کے تحت ہے جس کا تناسب 0.02%- امریکی ڈالر کے مقابلے میں ہے اس طرح کم برآمدات اور تزیلات زر کی سست رفتاری اور بین الاقوامی طور پر خام تیل کی قیمتوں میں کمی کی وجہ سے اس میں کافی حد تک فائدہ ہوا ہے۔ خارجی حالت کے تحت (۱) سرکاری قرضے کے حوالے سے خصوصی طور پر تقریباً ۲۰۱۵ء میں آئی ایم ایف کے پروگرام کے اختتام کے بعد مقرر ہوئی۔ (۲) ممکنہ شرح تزیلات زر جس میں ممکنہ طور پر سست روی رہی۔ (۳) تیل کی قیمتوں میں اضافہ (۴) ممکنہ طور پر برآمدات کی آمدنی میں کمی واقع ہوئی۔

اسٹاک مارکیٹ:

کے ایس ای 100 انڈیکس جس میں دوران سال 3,300 پوائنٹس کا اضافہ ہوا اور مالیاتی سال ۲۰۱۶ء کے دوران ریٹرن کا تناسب 9.8% رہا۔ سال کے پہلے سات مہینوں میں مارکیٹ مندی رہی جبکہ فروری کے آخر سے اضافہ دیکھا گیا۔ بین الاقوامی طور پر خام تیل کی قیمتوں میں پچھلے ۱۲ سالوں کے مقابلے میں سال ۲۰۱۶ء میں کافی کمی رہی اور عالمی مارکیٹ کے حصص میں غیر ملکی سرمایہ کاروں کی طرف سے فروخت کیلئے دباؤ بڑھا اور مقامی بروکرز کی تحقیقات کے نتیجے میں پچھلے سات سے آٹھ ماہ کے دوران منفی اثرات پائے گئے۔ کم شرح سود کے حامل بینکاری پر سرمایہ کار کا اعتماد کم رہا اور مارکیٹ میں بالخصوص فروری کے مہینے سے ایک بار پھر اضافہ ہوا۔ MSCI میں پاکستان کی شمولیت سے اسٹاک مارکیٹ میں مزید تیزی کا رجحان رہا۔ برطانوی عوام کی جانب سے یورپی یونین سے اخراج کی بدولت انڈیکس میں قبل مدتی کمی ہوئی جسے جون ۲۰۱۶ء میں بحال کیا گیا۔

سال کی آخری سہ ماہی میں اضافہ پاکستان کی MSCI میں از سر نو درجہ بندی کے مہونہ منت رہا اور انڈیکس کے اہم حصص کی MSCI میں شمولیت کی توقع رہی۔

مٹی مارکیٹ:

افراط زر اور اس کے نتیجے میں پیدا ہونے والے پالیسی ریٹ مالیاتی سال ۲۰۱۶ء کے دوران دو مرتبہ کمی و بیشی سے متاثر ہوئے، پہلے ستمبر ۲۰۱۵ء میں 50bps اور اس کے بعد مئی ۲۰۱۶ء میں 25bps جو کہ سال کے دوران آمدنی میں 100-250bps کمی کا باعث بنا اور ڈیکونٹ ریٹ میں سب سے زیادہ کمی ۴ سے ۱۰ سالہ یونڈز میں دیکھی گئی جس کی وجہ سے شرح سود میں طویل مدتی کمی کی توقع ہے۔

مستقبل کا نقطہ نظر:

سال ۲۰۱۶ء میں مارکیٹ کی کارکردگی میں بہتری کی توقع ہے جو کہ (۱) پاکستان کی MSCI ایمرجنگ مارکیٹ انڈیکس میں دوبارہ درجہ بندی (۲) وفاقی بجٹ مالیاتی سال ۲۰۱۸ء کیلئے توقع کی جاتی ہے بالخصوص زرعی اور تجارتی شعبوں میں حکومت اپنی مدت کے آخری سال اس پر ضرور توجہ دے گی۔

تعمیل مدت میں افراط زر میں کمی کے پیش نظر 2016ء کے آخر میں CPI میں کچھ اضافے کے باعث یہ توقع کی جارہی ہے کہ مائیکرو پالیسی میں درمیانی مدت میں استحکام رہے گا۔ وہ عوامل جو جلد یا بدیر اضافہ کی وجہ بن سکتے ہیں وہ درج ذیل ہیں:

- ۱۔ خام تیل میں قیمتوں میں اضافہ بوجہ طلب و رسد کے فرق میں کمی۔
- ۲۔ توانائی کے علاوہ دیگر شعبوں میں خلاف توقع قیمتوں میں زیادہ اضافہ۔
- ۳۔ کرنٹ اکاؤنٹ خسارہ میں اضافہ سے روپے کی قدر پر بڑھتا ہوا باؤ۔

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






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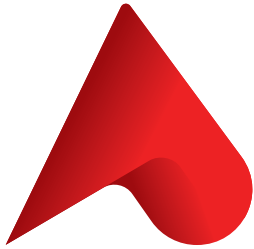


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